

# **State of Alaska FY2006 Governor's Operating Budget**

**Dept. of Commerce, Community, and Economic Dev.  
Occupational Licensing  
RDU/Component Budget Summary**

**RDU/Component: Occupational Licensing***(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)***Contribution to Department's Mission**

Ensure that competent professional and commercial services are available to Alaska consumers.

**Core Services**

- Administer 21 occupational licensing programs through support to licensing Boards or Commissions and administer 17 programs solely through division staff (without oversight of a board or commission).
- License approximately 70,500 businesses to engage in commerce in Alaska. At the start of FY04, 1,470 businesses held tobacco endorsements attached to their licenses permitting retail sale of tobacco products
- Register corporations that are engaged in commerce in Alaska

End Results	Strategies to Achieve Results
<b>A: Protect the public from unethical and incompetent providers of services.</b>  <u>Target #1:</u> Ensure 100% of practitioners and businesses that advertise services are licensed. <u>Measure #1:</u> The number of businesses currently advertising in Alaska that were found in non-compliance with licensing laws.  <u>Target #2:</u> Decrease number of customer complaints over prior year. <u>Measure #2:</u> Number of customer complaints.	<b>A1: Standardization of licensing requirements</b>  <u>Target #1:</u> Standardization of licensing requirements across 39 programs by the end of FY 06. <u>Measure #1:</u> Percentage of programs with standardized licensing requirements.  <b>A2: Responsiveness to customer complaints</b>  <u>Target #1:</u> Increase number of investigations closed over prior year. <u>Measure #1:</u> Number of investigations that are settled (either through closure or enter litigation.)
End Results	Strategies to Achieve Results
<b>B: Ensure professional and commercial services are available to the public.</b>  <u>Target #1:</u> By the end of FY 08, 100% of programs will have licensing and disciplinary information available to the	<b>B1: Online accessibility of information.</b>  <u>Target #1:</u> Provide 100% of programs to conduct license renewals online by the end of FY 08. <u>Measure #1:</u> Percent of licensing programs with renewals

public immediately upon inquiry.

**Measure #1:** Number of programs with licensing and disciplinary information available to the public immediately upon inquiry.

available online.

### Major Activities to Advance Strategies

- OCCUPATIONAL/PROFESSIONAL LICENSING:
- Perform the following functions for over 130 occupations within the 38 programs:
- Distribute application forms for initial licensure and renewal by mail and Internet
- Respond to questions from applicants, other states and non-governmental organizations regarding Alaska's licensing laws
- Review applications to determine if qualifications have been met
- Determine whether applicants are in arrears on child support or student loan repayment
- Verify Alaska licenses for the licensing agencies of other states
- Write and/or administer professional examinations
- Investigate complaints of incompetent or illegal activity by professionals
- Prepare formal accusations against licensees when investigations reveal evidence of violations of licensing laws
- Present the legal case against licensees charged with violations
- Negotiate settlements with licensees whom the division believes violated the law
- Report disciplinary actions taken against Alaska licensees to national databanks
- Organize and staff licensing board/commission meetings
- Assist licensing boards in writing regulations
- Represent the state in appeals of license denials, lawsuits and appeals of disciplinary actions
- Provide public lists of licensees on CD-ROM, paper, and through Internet search of the computer databases.
- BUSINESS LICENSING:
- Distribute application forms for initial licensure and renewal by mail and Internet
- Review applications for completeness and legal sufficiency
- Collect \$50 for each two-year license and \$100 for each endorsement permitting retail sale of tobacco products at a specific location.
- Classify businesses according to their activities
- Issue licenses at service counters in Juneau and Anchorage
- Issue and renews licenses via the Internet
- Research the licensing history of Alaska businesses
- Bring unlicensed businesses into voluntary compliance with the law
- Suspend tobacco sales endorsements of businesses convicted of selling tobacco to minors
- Assist tobacco enforcement officers by recording tobacco endorsement actions in the database and making the data available via the internet
- Provide public lists of licensed businesses on CD-ROM and through Internet search of the computer database.

### FY2006 Resources Allocated to Achieve Results

**FY2006 Component Budget: \$9,146,800**

**Personnel:**

Full time	85
Part time	0
<b>Total</b>	<b>85</b>

### Performance Measure Detail

#### A: Result - Protect the public from unethical and incompetent providers of services.

**Target #1:** Ensure 100% of practitioners and businesses that advertise services are licensed.

**Measure #1:** The number of businesses currently advertising in Alaska that were found in non-compliance with licensing laws.

**Compliance Reviews**

Fiscal Year	YTD
FY2000	58
FY2001	56
FY2002	39
FY2003	35
FY2004	683
FY2005	140

**Analysis of results and challenges:** Compliance letters are sent to businesses that advertise but cannot be identified in the licensing database as being currently licensed. In FY04, emphasis was placed on proactive enforcement especially due to the impact of increased business license fees. These statistics are reflective of staffing activity toward a voluntary compliance effort. It is not inclusive of 'all' business advertising in Alaska. FY05 statistics are represented to the end of December 2004.

**Target #2:** Decrease number of customer complaints over prior year.

**Measure #2:** Number of customer complaints.

**Cases Opened During the Fiscal Year**

Year	YTD
2000	557
2001	535
2002	548
2003	694
2004	554

**A1: Strategy - Standardization of licensing requirements**

**Target #1:** Standardization of licensing requirements across 39 programs by the end of FY 06.

**Measure #1:** Percentage of programs with standardized licensing requirements.

**Programs with Standardized Requirements**

Year	YTD
2004	85%

**Analysis of results and challenges:** Many of the licensing application forms have been redesigned to follow a standardized format.

**A2: Strategy - Responsiveness to customer complaints**

**Target #1:** Increase number of investigations closed over prior year.

**Measure #1:** Number of investigations that are settled (either through closure or enter litigation.)

**Number of Closed Investigations**

Year	YTD
2000	499
2001	409
2002	550
2003	688
2004	584

**B: Result - Ensure professional and commercial services are available to the public.**

**Target #1:** By the end of FY 08, 100% of programs will have licensing and disciplinary information available to the public immediately upon inquiry.

**Measure #1:** Number of programs with licensing and disciplinary information available to the public immediately upon inquiry.

**Number of Programs with information accessible online.**

Year	YTD
2004	1

**Analysis of results and challenges:** Currently, licensing programs with web access note if a disciplinary action was taken against a licensee, however, no details of the action are provided, except for one program. The goal is to expand and specify details for all programs.

**B1: Strategy - Online accessibility of information.**

**Target #1:** Provide 100% of programs to conduct license renewals online by the end of FY 08.

**Measure #1:** Percent of licensing programs with renewals available online.

**Programs with Online Renewals**

Year	YTD
2001	3%
2002	5%
2003	8%
2004	10%
2005	12%

**Analysis of results and challenges:** Currently there are 39 licensing programs of which 5 currently have online renewal access. The 5 programs are:

FY 2001: Business Licensing provided licenses renewals online.

FY 2002: Architects, Engineers and Land Surveyors; and Real Estate license renewals were added.

FY 2003: Nursing (RN) license renewals were added.

FY 2004: No new programs added.

FY 2005: Nursing (LPN) and Medical were added. (Note: Nursing is one program although categories were added during different fiscal years.)

## Key Component Challenges

1. **Web Programs:** The Division of Occupational Licensing has established a goal to provide public accessibility to licensing information by making the licensing process and information on licensees available via the web. This topic is actually a long-term challenge in that the desire to use technology for faster, efficient services creates a huge impact on staffing resources and the need to maintain data integrity. There are 34 licensing programs to bring online.

Current year challenge to the online applications will be initial automation of the renewal process for Medical licensees. If this renewal works smoothly, it will pave the way for other programs to come online. The changes affect several aspects of the online renewal program from the user screens, to payment processing, to license and financial reconciliation, and the monitoring of the web program for issuance of credit or void transactions.

In the next budget year, the division will be facing challenges to bring more license renewal programs online, in addition to improving its current online forms. Currently, application forms are located on the web for each of the licensing programs, however many programs still require applicants to download and print the forms then complete the application forms manually. The division is in the process of automating its online forms to allow applicants to download and complete the form online before printing the form for submission.

2. **Enforcement Actions:** The current Investigation and Litigation processes are taking too long to complete. A challenge for the division is to find ways to shorten the length of time from the start of an investigation to closure of a case, or to obtaining a decision by the Hearing Officer. More aggressive and streamlined procedures are needed.
3. **Program Staffing:** Some programs, such as the Board of Nursing, have multiple staff positions in which difficulties were experienced to fill the positions with qualified individuals. A current year challenge will be to continue to locate qualified individuals interested in accepting those positions. As a standing challenge, the division will need to evaluate tasks assigned to these positions and determine whether the scope of these positions are truly part of the licensing process or whether the tasks are better served by other programs or agencies such as education or workforce development.
4. **Review of the audit recommendaiton to Eliminate Licensing Boards:** The recommendation to eliminate licensing boards is usually not a popular idea among its licensees. However, some boards have become perfunctory and actually slows the licensing process. The division will face challenges in proposing recommendations to the Legislature for elimination of some of the licensing boards, although the recommendations will be made in conjunction with the sunset review process.
5. **Licensing Examinations:** More licensing programs are moving toward computerized examinations or examinations administered by contractors of the national licensing organizations. The division faces a challenge to phase out State administered licensing exams and utilize standardized licensing exams for the industry either through computerized exams or exams administered by contractors of national licensing organizations. This will establish a minimum level of competency for entry in to the profession and allow licensees to qualify for licensure easier, either in Alaska or moving from Alaska to another State. This change will require statutory or regulation changes to some licensing programs; and a division challenge to identify and support these standardized examinations for other licensing programs.

## Significant Changes in Results to be Delivered in FY2006

On September 17, 2004, Administrative Order 219 transferred the Corporations program to the Division of Occupational Licensing from the Division of Banking. In FY06, integration of the division licensing programs will continue with the intended result of allowing licensees and the public greater internet capabilities to obtain licensing information. There is also the possibility that the division may encounter a name change by the Legislature.

## Major Component Accomplishments in 2004

### BUSINESS LICENSING:

- Established new activity code for Handyman work to assist construction contractor enforcement efforts
- Amended regulations to identify the hearing process for tobacco enforcement cases
- Amended regulations to allow purchase of one or two year business licenses

### OCCUPATIONAL LICENSING

- Preparation for mandatory licensing of Professional Guardians and Professional Conservators
- Relocated licensing staff for the Board of Nursing to Anchorage to centralize the nurse licensing program
- Reported disciplinary actions to various state and national data banks

### CORPORATIONS:

On September 17, 2004, Administrative Order 219 transferred the Corporations program to the Division of Occupational Licensing from the Division of Banking. This transfer will provide better service to the public by creating a single organization within state government for customers to form a new business entity, obtain a license, form a Corporation, register a business name and register a trademark.

## Statutory and Regulatory Authority

AS 08.01                      Centralized Licensing  
AS 08.02                      Miscellaneous Provisions

AS 08.03	Termination, Continuation and Reestablishment of Regulatory Boards
AS 08.04	Board of Public Accountancy
AS 08.13	Board of Barbers and Hairdressers
AS 08.20	Board of Chiropractic Examiners
AS 08.29	Board of Professional Counselors
AS 08.36	Board of Dental Examiners
AS 08.48	State Board of Registration for Architects, Engineers and Land Surveyors
AS 08.62	Board of Marine Pilots
AS 08.63	Board of Marital and Family Therapy
AS 08.64	State Medical Board
AS 08.65	Board of Certified Direct Entry Midwives
AS 08.68	Board of Nursing
AS 08.71	Board of Dispensing Opticians
AS 08.72	Board of Examiners in Optometry
AS 08.80	Board of Pharmacy
AS 08.84	State Physical Therapy and Occupational Therapy Board
AS 08.86	Board of Psychologists and Psychological Associate Examiners
AS 08.87	Board of Certified Real Estate Appraisers
AS 08.88	Real Estate Commission
AS 08.95	Board of Social Work Examiners
AS 08.98	Board of Veterinary Examiners
AS 08.06	Regulation of acupuncturists
AS 08.11	Regulation of audiologists and speech-language pathologists
AS 08.24	Regulation of collection agencies
AS 08.92	Regulation of concert promoters
AS 08.18	Regulation of construction contractors
AS 08.38	Regulation of dietitians and nutritionists
AS 08.40	Regulation of electrical and mechanical administrators
AS 08.54	Regulation of guide-outfitters
AS 08.42	Regulation of morticians
AS 08.45	Regulation of the practice of naturopathy
AS 08.70	Regulation of nursing home administrators
AS 08.02.011	Regulation of professional geologists
AS 08.02.050	Regulation of euthanasia for domestic animals
AS 08.55	Regulation of hearing aid dealers
AS 43.70	Regulation of business licenses
AS 05.05; 05.10	Athletic Commission
AS 46.03.375	Certification of Storage Tank Workers
AS 08.02.025	Student Loan Default Program
AS 25.27.244	Child Support Enforcement Program
AS 44.62	Administrative Procedure Act
AS 44.33.020	Department of Community & Economic Development

## Federal Laws:

42 CFR 431, 433 and 483	Nurse Aide Registry
42 CFR 442 and 45	Nursing Home Administrators
12 U.S.C. 3338	Real Estate Appraiser

## State Regulations:

12 AAC 02 - 12 AAC 75	Administrative Regulations
12 AAC 12	Business Licensing Regulations
18 AAC 78	Underground Storage Tank Workers

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### Occupational Licensing Component Financial Summary

*All dollars shown in thousands*

	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	4,443.8	4,518.7	5,085.4
72000 Travel	262.5	308.4	314.4
73000 Services	2,675.1	3,282.1	3,508.9
74000 Commodities	79.1	85.7	100.7
75000 Capital Outlay	46.5	75.6	137.4
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>7,507.0</b>	<b>8,270.5</b>	<b>9,146.8</b>
<b>Funding Sources:</b>			
1007 Inter-Agency Receipts	138.5	297.0	299.3
1040 Real Estate Surety Fund	120.1	257.3	261.1
1156 Receipt Supported Services	6,492.9	6,968.8	7,818.1
1175 Business License Receipts	755.5	747.4	768.3
<b>Funding Totals</b>	<b>7,507.0</b>	<b>8,270.5</b>	<b>9,146.8</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2004 Actuals	FY2005 Management Plan	FY2006 Governor
<b>Unrestricted Revenues</b>				
General Fund Program Receipts	51060	117.1	0.0	0.0
Receipt Supported Services	51073	3,482.0	0.0	0.0
Business License Receipts	51173	4,391.1	0.0	0.0
<b>Unrestricted Total</b>		<b>7,990.2</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Interagency Receipts	51015	138.5	297.0	299.3
Receipt Supported Services	51073	6,492.9	6,968.8	7,818.1
Business License Receipts	51173	755.5	747.4	768.3
Real Estate Surety Fund	51360	120.1	257.3	261.1
<b>Restricted Total</b>		<b>7,507.0</b>	<b>8,270.5</b>	<b>9,146.8</b>
<b>Total Estimated Revenues</b>		<b>15,497.2</b>	<b>8,270.5</b>	<b>9,146.8</b>

**Summary of Component Budget Changes  
From FY2005 Management Plan to FY2006 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2005 Management Plan</b>	<b>0.0</b>	<b>0.0</b>	<b>8,270.5</b>	<b>8,270.5</b>
<b>Adjustments which will continue current level of service:</b>				
-Transfer Corporation Section to Occupational Licensing from Banking, Securities and Corporations	0.0	0.0	700.8	700.8
-FY 05 Bargaining Unit Contract Terms: GGU	0.0	0.0	42.7	42.7
-FY06 Cost Increases for Bargaining Units and Non-Covered Employees	0.0	0.0	128.5	128.5
-Adjustments for Personal Services Working Reserve Rates and SBS	0.0	0.0	4.3	4.3
<b>FY2006 Governor</b>	<b>0.0</b>	<b>0.0</b>	<b>9,146.8</b>	<b>9,146.8</b>

### Occupational Licensing Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2005</u> <u>Management</u> <u>Plan</u>	<u>FY2006</u> <u>Governor</u>		
Full-time	76	85	Annual Salaries	3,642,075
Part-time	0	0	COLA	55,682
Nonpermanent	0	0	Premium Pay	1,291
			Annual Benefits	1,933,375
			<i>Less 6.81% Vacancy Factor</i>	(383,423)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>76</b>	<b>85</b>	<b>Total Personal Services</b>	<b>5,249,000</b>

### Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Accounting Clerk I	0	0	1	0	1
Accounting Tech II	0	0	1	0	1
Administrative Assistant	1	0	0	0	1
Administrative Clerk II	4	0	7	0	11
Administrative Clerk III	4	0	9	0	13
Administrative Manager II	0	0	1	0	1
Analyst/Programmer III	0	0	2	0	2
Analyst/Programmer IV	0	0	1	0	1
Business Reg Examiner	0	0	3	0	3
Chief Occupational Licensing	0	0	1	0	1
Division Director	0	0	1	0	1
Exec Admin Board of Nursing	1	0	0	0	1
Exec Admin State Medical Board	1	0	0	0	1
Exec Administrator Rec	2	0	0	0	2
Executive Administrator Aels	0	0	1	0	1
Health Program Associate	1	0	0	0	1
Investigator I	1	0	0	0	1
Investigator III	12	0	0	0	12
Investigator IV	1	0	0	0	1
Marine Pilot Coord	0	0	1	0	1
Nurse Consultant I	1	0	0	0	1
Occup Licensing Examiner	3	0	17	0	20
Paralegal II	0	0	1	0	1
Project Asst	1	0	0	0	1
Records & Licensing Spvr	0	0	3	0	3
Regulations Spec II	0	0	1	0	1
Secretary	0	0	1	0	1
<b>Totals</b>	<b>33</b>	<b>0</b>	<b>52</b>	<b>0</b>	<b>85</b>